

INTERNAL CONTROL QUESTIONNAIRE

I. Agency Information:

_____ Name	_____ Employer ID #
_____ Street Address	_____ Telephone
_____ City/State/Zip	

Chief Executive Officer:

_____ Name	_____ Title
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Chief Financial Officer:

_____ Name	_____ Title
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Primary Contact for Programs of Financial Assistance Received from the N. C. Department of Health and Human Services:

_____ Name	_____ Title
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Auditor:

_____ Name of Firm	_____ Telephone
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Date of Last Completed Audit

For Non-Governmental Agencies Only:

Age of Agency:	<input type="checkbox"/> Less than 3 years	<input type="checkbox"/> 3 - 5 Years	<input type="checkbox"/> 5 - 10 Years	<input type="checkbox"/> Over 10 Years
How long has agency received funding from the State?	<input type="checkbox"/> This is the first year	<input type="checkbox"/> Less than 3 years	<input type="checkbox"/> 3 - 5 Years	<input type="checkbox"/> Over 5 Years
How many programs or services are operated by the agency?	<input type="checkbox"/> 1 or less	<input type="checkbox"/> 2 - 5	<input type="checkbox"/> Over 5	

II. Self-Assessment:

	Yes	No	N/A
General Environment:			
1. Are there written policies and internal operating procedures that have been approved by the governing body or senior management?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Does the agency have a code of ethical conduct that has been made available to all employees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Are procedures documented, kept current and readily available for daily use by all employees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Are roles and responsibilities clearly defined in writing and communicated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Does management understand the knowledge and skills required to accomplish key tasks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Is management involved in and actively encourage training?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Does management use budgets or spending plans to review the agency's financial performance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Are periodic reports on the status of actual performance to budget prepared and reviewed by top management?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Are all accounting activities under the supervision of a knowledgeable accounting supervisor?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Does management actively follow-up on complaints from customers/clients/consumers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Has the agency established performance goals for key areas and programs and does it compare its actual performance with its goals and objectives no less frequently than annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Is there an organizational chart that clearly defines the lines of management authority and responsibility?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Has management established a back-up plan for sudden or significant changes in personnel?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Does the agency have a formal, written record retention schedule that complies with State and federal requirements and timeframes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. If the agency uses subrecipients, is a formal, written plan in place for monitoring subrecipients and is monitoring activity documented?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Are external audits performed on a routine, periodic basis?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No	N/A
Accounts Payable:			
1. Has a written policy been put in place to ensure that the best possible prices are obtained for goods and services purchased?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Are procedures in place to ensure that all purchases and procurements are in compliance with State and federal policies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Have procedures been established to identify before payment costs and expenditures that are not allowable from State or federal funds?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Are procedures in place to ensure that goods and services have been received in a satisfactory manner prior to payment being issued?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Is there adequate segregation of duties to ensure that different individuals order goods and services, attest to the satisfactory receipt of goods and services, issue payment, and balance bank statements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Are bank statements and petty cash accounts balanced monthly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. If subsidiary expenditure journals are maintained, are they reconciled at least monthly with the general ledger?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Are payments made only on the basis of original invoices and are invoices cancelled when paid?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Is check signing limited to authorized personnel?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Are unused and voided checks adequately controlled?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Do knowledgeable personnel code invoices for payment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Does the accounting system prevent obligation or expenditure of State or federal funds beyond the period of availability?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Personnel/Payroll:			
1. Are agency personnel policies regarding leave, fringe benefits, recruitment and separation in writing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Do all supervisors have access to a copy of the personnel policy manual?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Is nepotism or conflict of interest in employment prohibited?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Is information on employment applications verified and references obtained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Are appropriate time records for leave maintained and are they reconciled at least annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Is the performance of all employees formally evaluated on at least an annual basis?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. If employees work on more than one program or are paid from more than one funding source are appropriate personnel activity reports maintained and approved by a supervisor?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Is there adequate segregation of duties to ensure that different individuals process personnel action forms, process and distribute the payroll, and record the payroll in the general ledger?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Yes No N/A

Accounts Receivable/Cash Receipting:

- | | | | |
|---|--------------------------|--------------------------|--------------------------|
| 1. Are procedures in place to ensure that billings are prepared and sent as soon as possible after the sale of goods or provision of services, not less frequently than monthly unless another interval is specified in a written contract? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Are remittance advices and billings maintained to support accounts receivable entries in the general ledger? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. If subsidiary accounts receivable journals are maintained, are they reconciled at least monthly with the general ledger? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are cash receipts properly and promptly documented, posted to accounts receivable records, and deposited? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Is there adequate segregation of duties to ensure that different individuals prepare billings, collect and deposit cash, and reconcile accounts receivable and cash receipts entries to the general ledger? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Do bank deposit slips have the official depository bank number preprinted on the document and are checks deposited noted on the deposit slip by maker and amount? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Are prenumbered receipts issued for all cash currency receipts and are all numbered receipts accounted for? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Are all employees handling cash receipts adequately bonded? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. If required by the nature of the funding source or the agreement with the State, are receipts that represent Program Income properly identified, reported and used? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Inventory/Fixed Assets:

- | | | | |
|---|--------------------------|--------------------------|--------------------------|
| 1. Does the agency maintain supplies on-hand in excess of the amount needed in a normal month? (If no, skip questions 2-5) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. If so, does the agency maintain a perpetual inventory system? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Are receipts to and withdrawals from inventory properly documented? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is the value of the supplies inventory recorded on the general ledger? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Is a physical count of the inventory taken at least annually and are inventory records updated accordingly? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Does the agency have an equipment fixed asset capitalization policy requiring, at minimum, assets costing more than \$5,000 to be capitalized? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Are fixed assets physically tagged upon receipt? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Is the value of fixed assets recorded in the general ledger? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Is a physical inventory of fixed assets taken at least annually and are fixed asset records updated accordingly? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Eligibility:

- | | | | |
|--|--------------------------|--------------------------|--------------------------|
| Does the agency offer services that are governed by specific eligibility criteria? (If no, skip questions 2-6) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1. Is there an up-to-date manual available to staff performing eligibility functions? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Are staff performing eligibility functions adequately trained? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

- | | Yes | No | N/A |
|--|--------------------------|--------------------------|--------------------------|
| 3. Is the information provided by the client verified by an independent third party? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are client records periodically updated and reviewed to determine continued eligibility? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Is there adequate segregation of duties to ensure that different people determine eligibility and compute benefit payments or authorize services? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Allowable Costs and Services:

- | | | | |
|---|--------------------------|--------------------------|--------------------------|
| 1. If the agency bills for indirect cost, has the indirect cost plan been approved by the cognizant federal agency or has it been prepared in accordance with applicable OMB Circular and audited by a Certified Public Accountant? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. If the agency performs more than one service or is funded by more than one funding source, does it have a formal, written plan on how costs are to be allocated between services/funding sources? (If N/A, skip questions 3 and 4) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Does the cost allocation plan appropriately allocate cost to all benefiting programs? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are the allocation bases current and reasonable? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Are benefit payments to individuals or payments for services to third parties on behalf of individual clients matched or compared to eligibility systems to ensure eligibility of the client? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Are controls in place to prevent overpayments or unauthorized payments to individuals or third parties? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Other Controls:

- | | | | |
|--|--------------------------|--------------------------|--------------------------|
| 1. If the agency is required to provide matching funds or “in-kind” contributions, is match properly documented in the accounting records or do adequate records exist to support “in-kind” or volunteer contributions? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. If the agency engages in Real Property acquisitions, are there policies in place to ensure compliance with all State and federal regulations, including the Uniform Relocation Act (URA?) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. If the agency uses federal funds to enter into construction contracts of more than \$2000, are there controls in place to ensure that all workers under the contract are paid wages not less than the prevailing wage rates for the locality? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

III. Attestation:

Self-Assessment Completed by:

Signature

Date

Print Name and Title

I hereby certify that the information reported above is correct and true to the best of my knowledge and belief:

Signature: Chief Executive Officer or Primary DHHS Contact

Date

Print Name and Title